

MINUTES OF THE
ASSESSING STANDARDS BOARD
Subcommittee on Former HB 547

Approved as Amended

DATE: July 9, 2015

TIME: 9:30 a.m.

LOCATION: NH State House – Room 103, 107 North Main Street, Concord NH

COMMITTEE MEMBERS:

Betsey Patten, Public Member, Chairman
Joseph Lessard, NHAEO, Towns >3,000
Representative Mark Proulx

Eric Stohl, Municipal Official, Towns <3,000
Representative Peter Schmidt
Representative Pat Abrami

MEMBERS of the PUBLIC:

Jim Michaud, Assessor, Hudson
Cordell Johnston, NHMA
Nancy Johnson
Ellen Scarponi, FairPoint Communications
Cindy Brown, BTLA
Stephanie Lamb, Business & Industry Association
Teresa Rosenberger, Devine Millimet
Andrew Kingman, AT & T
Chris Hodgdon, Comcast
Elizabeth Ewing, Concord
David Cornell, NHDRA

Scott Bartlett, Assessor, Goffstown
Eric Maher, Donahue Tucker & Ciandella
Kevin O'Quinn, FairPoint Communications
Andrea Curtis, George Sansoucy's Office
Len Gerzon, ASB
Simon Thomson, Sheehan Phinney Capitol Group
Nancy LeVinus, House Staff
Laura Weston, Weston Associates
Kathryn Temchack, Assessor, Concord
Rosann Lentz, Assessor, Portsmouth
Chris Boldt, DTC

Chairman Patten convened the meeting at 9:30 a.m.

Minutes

Representative Proulx ***motioned to approve the minutes of the June 12, 2015, meeting as written.*** Selectman Stohl ***seconded the motion.*** No discussion. Chairman Patten called the motion. ***All approved.***

Historical Background

Mr. Cordell Johnston, representing the NHMA, gave an historical overview of the taxation and exemption of telephone poles and right-of-ways. A brief discussion followed that included the mention of pending court cases, the assessment of right-of-ways and the property within them.

Representative Abrami added to the historical background stating in 1996, when the electric companies started to file for abatements, there was a force that came to the legislature at the time to fix the issue; the exemption was passed in 1998 and was waived for years after. When poles and conduits, etc., were defined as real estate, there was no assistance provided to the legislature on how to assess them as taxable property.

Chairman Patten added the ASB spent significant time studying and recommending standards for residential properties. The board has not examined or recommended parameters for utility properties and it is the subcommittee's intent to study the issue and provide a recommendation to the legislature if necessary.

Mr. Bartlett stated he assesses the utility property in Goffstown and uses a similar cost approach for all poles. It is not that assessors use different approaches, it is that the companies provide information in different formats. In reference to the five assessing approaches used by the courts, three of those approaches represent three different versions of cost approach. Within each approach, there are different methods that may be used. So there are the same three approaches to value with utility property as there are with residential property. A brief discussion followed.

Mr. Boldt, summarized the recent BTLA decisions pertaining to PSNH and NHEC in which the board found no problem with the way municipalities valued utility property within the state. Mr. Boldt followed up by stating while these cases involved utility property, they are of insight to the cases pertaining to telecom matters. One of the issues against the DRA was the lack of transparency into how the allocation of value was determined and utilized. The concern was how the RSA 83-F report was being used against the municipalities and with the BTLA decision was hopeful that the RSA 83-F report would be used for the RSA 83-F tax only and not against the municipalities.

Mr. Cornell stated that the information the DRA uses to derive its values is strictly confidential. There will always be a difference in value due to the municipalities valuing a portion of the company's assets and the state valuing the company as a whole.

Mr. Boldt added the decision by the BTLA suggests the method to assess a utility property should be similar to the method used to value residential and commercial properties. This decision by the BTLA will provide insight to the pole issue because the same arguments are being raised in these cases.

Survey Update

Mr. Cornell reported that the department has received survey information from all but 60+/- municipalities to date and it is still coming in. The information is in draft format and will need to be re-reviewed and duplicate information verified and corrected before results can be determined. The duplication is a result of more than one source of information being provided. The department is preparing to collect the same information from the companies so that a comparison can be made.

Presentations

A discussion took place about future presentations. Mr. Dickman would be invited to speak on how the DRA derives the utility values. Ms. Scarponi, representing FairPoint Communications, spoke to a standardized formula rather than the various methods and criteria others are using to come up with the assessments. She added the taxing of utility property is very different from assessing poles and the two should not be compared.

It was suggested that FairPoint present their information, where their numbers came from and why they feel there is a problem. Ms. Scarponi responded she would be happy to explain and show why they feel there is a problem. She added that the numbers being collected by the department however would be the most valuable information to prove their position. For the next meeting, FairPoint and Mr. Dickman would be added to the agenda.

Due to HB 547 not passing, the word "former" was added before HB 547. The name of the subcommittee is now the Subcommittee on Former HB 547.

Meeting Schedule

The next meeting will be held on Thursday, July 23, 2015, at 9:30 a.m. at the NH State House, Room 103.

Chairman Patten adjourned the meeting at 12:20 p.m.

Respectfully submitted, Stephanie Derosier
NH Department of Revenue Administration – Municipal and Property Division

Documentation relative to the Assessing Standards Board may be submitted, requested or reviewed by:

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